



Elite Diagnostic Limited

Report to Shareholders  
Year Ended June 30, 2020



The Board of Directors of Elite Diagnostic Limited presents the company's Audited Financial Statements for the year ending June 30th 2020.

Revenue for the year was \$439.8 Million compared to \$404.9 Million the previous year. The company showed a profit of \$8.6 Million compared to a profit of \$51.8 Million the previous year. There was an increase in profit from \$6.6 Million reported in the Unaudited Financial Statements versus \$8.6 Million per the Audited Financial Statements, this resulted from an over accrual of interest expense of \$2 Million in the Unaudited Financial Statements. Total Assets were \$690.6 Million compared to \$664.1 Million the previous year. Total Liabilities were \$230.8 Million compared to \$212.9 Million the previous year.

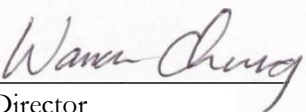
The company faced many challenges during the year with equipment breakdown, the St Ann location, and the effects of Covid-19.

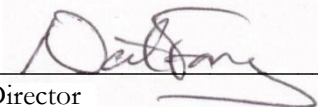
The St Ann location continued to underperform due to CT and MRI breakdowns. The company experienced challenges with procurement of parts and repairs. Both machines were operational only for a very short period during the year. With the delay of a fully operational St Ann location and its associated expenses, net profit was significantly impacted. The MRI and CT are now functioning and the St Ann location is at a desired operating capacity. Revenues at the St Ann location are now improving.

During the year, the company experienced unusually lengthy equipment breakdown. The effects of Covid-19 contributed to delays in assessment and procurement of parts and repairs. The 4th Quarter also experienced decreased demand for imaging services and reduced opening hours due to Covid-19. The company expects the continuation of the negative effects of Covid-19. The company is actively and continually working to ensure the safety of their staff and patients.

The company remains cautiously optimistic for the near future.

The company wishes to thank all of our dedicated staff, valued customers and referring doctors for their continued support.

  
Director

  
Director



## **Elite Diagnostic Limited**

Financial Statements

June 30, 2020

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# Elite Diagnostic Limited

June 30, 2020

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# Independent auditor's report

To the Members of  
Elite Diagnostic Limited

## **Report on the audit of the Financial Statements**

### Opinion

We have audited the financial statements of Elite Diagnostic Limited (“the Company”) which comprise the statement of financial position as at June 30, 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at June 30, 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **hlbjm.com**

Partners: Sixto P. Coy, Karen A. Lewis

3 Houghton Avenue, Kingston 10, Jamaica W.I.      56 Market Street, Montego Bay, Jamaica W.I.

TEL: (876) 926-2020/2      TEL: (876) 926-9400      TEL: (876) 952-2891      EMAIL: info@hlbjm.com

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## Independent auditor’s report (cont’d)

To the Members of  
Elite Diagnostic Limited

### Report on the audit of the Financial Statements (cont’d)

Key Audit Matters (cont’d)

Key Audit Matter – Measurement of expected credit loss	How the matter was addressed in our audit
<p>The determination of ECL is highly subjective and requires management to make significant judgements and estimates and the application of forward-looking information.</p> <ul style="list-style-type: none"> <li>• The identification of significant increases in credit risk is a key area of judgement as the criteria determine whether a 12 month or lifetime allowance is recorded.</li> <li>• IFRS 9 requires the company to incorporate forward-information, reflecting a range of possible future economic conditions, in measuring expected credit losses. Significant management judgement is used in determining the economic scenarios and management overlay.</li> </ul> <p>We therefore determined that the estimates of impairment in respect of trade receivables have a high degree of estimation uncertainty.</p>	<p>Our audit procedures in response to this matter, included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the model used by management for the calculation of expected credit losses on accounts receivables.</li> <li>• Testing the completeness and accuracy of the data used in the models to the underlying accounting records.</li> <li>• Assessing the appropriateness of the Company’s impairment methodology, management’s assumptions and compliance with the requirements of IFRS 9, Financial Instruments.</li> <li>• Evaluating the appropriateness of economic parameters including the use of forward looking information.</li> <li>• Assessing the adequacy of the disclosures of the key assumptions and judgements for compliance with IFRS 9.</li> </ul>

Based on the procedures described above, no adjustment was considered necessary.

## Independent auditor's report (cont'd)

To the Members of  
Elite Diagnostic Limited

### **Report on the audit of the Financial Statements (cont'd)**

#### **Other information**

Management is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and those charged with governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report (cont'd)

To the Members of  
Elite Diagnostic Limited

### **Report on the audit of the Financial Statements (cont'd)** Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent auditor's report (cont'd)

To the Members of  
Elite Diagnostic Limited

### **Report on the audit of the Financial Statements (cont'd)** Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on additional matters as required by the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Sixto Coy.

Kingston, Jamaica

September 28, 2020

A handwritten signature in blue ink that reads 'HLB Mair Russell'. Below the signature, the words 'Chartered Accountants' are printed in a blue, sans-serif font.

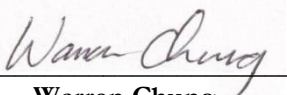
# Elite Diagnostic Limited

## Statement of financial position

June 30, 2020

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(3)	603,231,302	561,751,984
		<b>603,231,302</b>	<b>561,751,984</b>
<b>Current assets</b>			
Receivables	(4)	41,512,118	25,238,546
Prepayments		6,600,329	652,798
Cash and cash equivalents	(5)	39,217,930	76,422,723
		<b>87,330,377</b>	<b>102,314,067</b>
<b>Total assets</b>		<b>690,561,679</b>	<b>664,066,051</b>
<b>Equity</b>			
Share capital	(6)	348,898,459	348,898,459
Retained earnings		110,862,254	102,309,387
<b>Total equity</b>		<b>459,760,713</b>	<b>451,207,846</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	(7)	13,933,340	-
Long-term loans	(8)	193,933,266	195,666,638
		<b>207,866,606</b>	<b>195,666,638</b>
<b>Current liabilities</b>			
Payables and accruals	(9)	7,842,280	15,591,567
Current portion of lease liabilities	(7)	13,492,080	-
Current portion of long-term loans	(8)	1,600,000	1,600,000
		<b>22,934,360</b>	<b>17,191,567</b>
<b>Total liabilities</b>		<b>230,800,966</b>	<b>212,858,205</b>
<b>Total equity and liabilities</b>		<b>690,561,679</b>	<b>664,066,051</b>

Approved for issue by the Directors on September 28, 2020 and signed on its behalf by:

  
Warren Chung

  
Neil Fong

The notes on the accompanying pages form an integral part of these financial statements.

# Elite Diagnostic Limited

## Statement of profit or loss and other comprehensive income

Year ended June 30, 2020

	Note	2020 \$	2019 \$
<b>Income</b>		439,800,664	404,866,849
Direct costs		(161,503,788)	(126,256,676)
		<b>278,296,876</b>	<b>278,610,173</b>
Administrative and other expenses	(10)	(160,369,677)	(147,982,961)
Depreciation and amortisation		(88,178,562)	(55,825,533)
<b>Operating profit</b>		<b>29,748,637</b>	<b>74,801,679</b>
Finance income	(11)	43,929	222,401
Finance costs	(11)	(20,774,400)	(20,077,997)
Loss on foreign exchange		(465,299)	(3,123,482)
<b>Profit for the year being total comprehensive income for the year</b>		<b>8,552,867</b>	<b>51,822,601</b>
<b>Earnings per share</b>	(12)	<b>0.02</b>	<b>0.15</b>

The notes on the accompanying pages form an integral part of these financial statements.

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# Elite Diagnostic Limited

## Statement of changes in equity

Year ended June 30, 2020

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	Share capital \$	Retained earnings \$	Total \$
<b>Balance at June 30, 2018</b>	348,898,459	50,593,347	399,491,806
Adjustment from the adoption of IFRS 9	-	(106,561)	(106,561)
<b>Adjusted balance at July 1, 2019</b>	348,898,459	50,486,786	399,385,245
Profit for the year being total comprehensive income for the year	-	51,822,601	51,822,601
<b>Balance at June 30, 2019</b>	348,898,459	102,309,387	451,207,846
Profit for the year being total comprehensive income for the year	-	8,552,867	8,552,867
<b>Balance at June 30, 2020</b>	<b>348,898,459</b>	<b>110,862,254</b>	<b>459,760,713</b>

The notes on the accompanying pages form an integral part of these financial statements.

# Elite Diagnostic Limited

## Statement of cash flows

Year ended June 30, 2020

	2020 \$	2019 \$
<b>Cash flows from operating activities:</b>		
Profit for the year	8,552,867	51,822,601
Adjustments for:		
Depreciation and amortisation	88,178,562	55,825,533
Interest expense accrued	20,774,400	20,077,997
Adoption of IFRS 9	-	(106,561)
	<b>117,505,829</b>	<b>127,619,570</b>
Increase in receivables	(16,273,572)	(14,581,831)
(Increase)/decrease in prepayments	(5,947,531)	3,916,611
(Decrease)/increase in payables and accruals	(7,749,287)	10,954,239
<b>Cash provided by operations</b>	<b>87,535,439</b>	<b>127,908,589</b>
Interest paid	(20,774,400)	(20,077,997)
<b>Net cash provided by operations</b>	<b>66,761,039</b>	<b>107,830,592</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(89,282,557)	(163,031,864)
<b>Net cash used in investing activities</b>	<b>(89,282,557)</b>	<b>(163,131,864)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term loans	-	195,000,000
Repayment of long-term loans	(1,733,372)	(185,395,688)
Repayment of lease liabilities	(12,949,903)	-
<b>Net cash (used/in)/provided by financing activities</b>	<b>(14,683,275)</b>	<b>9,604,312</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(37,204,793)</b>	<b>(45,596,960)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>76,422,723</b>	<b>122,019,683</b>
<b>Cash and cash equivalents at end of year (Note 5)</b>	<b>39,217,930</b>	<b>76,422,723</b>

The notes on the accompanying pages form an integral part of these financial statements.

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# Elite Diagnostic Limited

## Notes to the financial statements

Year ended June 30, 2020

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### 1. General information and nature of operations

Elite Diagnostic Limited was incorporated under the laws of Jamaica on February 28, 2012 and is domiciled in Jamaica. The company commenced operations in August 2013. The company's principal place of business is located at 1b Holborn Road, Kingston 5, with branches at 164½ Old Hope Road and Drax Hall, St. Ann.

The company provides diagnostic imaging services.

The company was listed on the Jamaica Stock Exchange (JSE) Junior Market via an Initial Public Offering (IPO) on February 20, 2018.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The measurement bases used are more fully described in the accounting policies below.

#### Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published and became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and determined that the following will have an impact on the company.

##### IFRS 16 'Leases' (effective for annual periods beginning on or after January 1, 2019)

IFRS 16, Leases replaces IAS 17, Leases, and the related interpretations, (IFRIC 4, 'Determining whether an arrangement contains a lease', SIC 15, 'Operating leases – incentives', and SIC 27, 'Evaluating the substance of transactions involving the legal form of a lease').

It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. IFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 2. Summary of significant accounting policies (cont'd)

#### a Basis of preparation

##### Standards, interpretations and amendments to published standards effective in the current year (cont'd)

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being July 1, 2019. At this date, the company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

The following is a reconciliation of the financial statement line items from IAS 17 to IFRS 16 at July 1, 2019:

	Note	Carrying amount at June 30, 2019 \$	Remeasurement on adoption of IFRS 16 \$	IFRS 16 carrying amount at July 1, 2019 \$
Property, plant and equipment	(3)	561,751,984	40,375,323	602,127,307
Lease liabilities	(7)	-	(40,375,323)	(40,375,323)
<b>Total</b>		<b>561,751,984</b>	<b>-</b>	<b>561,751,984</b>

The nature of expenses related to these leases changed as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for the right-of-use assets and interest expense on lease liabilities.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 2. Summary of significant accounting policies (cont'd)

#### a Basis of preparation

##### **Standards, interpretations and amendments to published standards effective in the current year (cont'd)**

- **IFRIC 23 'Uncertainty over Income Tax Treatment' (effective for annual periods beginning on or after January 1, 2019)**

The interpretation addresses the accounting for income taxes, when tax treatments involve uncertainty in the application of IAS 12. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The adoption of the interpretation had no impact on the company's financial statements.

##### **Standards, interpretations and amendments issued but not yet effective and have not been adopted early by the Company**

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued, but were not effective at the statement of financial position date. The company have assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be immediately relevant to its operations, and has concluded as follows:

- Amendment to IAS 1 and IAS 8, (effective for annual periods beginning on or after January 1, 2020).

These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

The adoption of the interpretation is not expected to have an impact on the company's financial statements.

#### b Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.



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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### **2. Summary of significant accounting policies (cont'd)**

#### **c Property, plant and equipment**

(i) Carrying amount

Property, plant and equipment are carried at cost less accumulated depreciation.

(ii) Depreciation

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to forty (40) years for buildings, five to ten (5 - 10) years for furniture, fixtures, machinery and equipment, three (3) years for computers and five (5) years for motor vehicle.

Leasehold building and improvements are being amortised over twenty years.

(iii) Repairs and renewals

The costs of repairs and renewals which do not enhance the carrying value of existing assets are written off to profit or loss as they are incurred.

#### **d Functional and presentation currency**

*Functional and presentation currency*

The financial statements are prepared and presented in Jamaican dollars, which is the functional currency of the company.

*Foreign currency translations and balances*

(i) Foreign currency monetary balances at the end of the reporting period have been translated at the rates of exchange ruling at that date.

(ii) Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the dates of those transactions.

(iii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items are included in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical rates except for those measured fair value which are translated using the exchange rates at the date when the fair value was determined.

#### **e Revenue recognition**

Revenue is recognised when the company satisfies a performance obligation. Revenue is measured at the fair value of consideration received and receivable.

#### **f Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or the receipt on the goods or as incurred.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 2. Summary of significant accounting policies (cont'd)

#### g Cash and cash equivalents

Cash and cash equivalents comprise amounts held in current and savings accounts with financial institutions and cash on hand balances net of bank overdraft.

#### h Trade and other receivables

Trade and other receivables are classified as loans and receivables. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost.

#### i Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The company's financial assets comprise investments, cash and bank balances and receivables.

Financial liabilities

The company's financial liabilities comprise trade payables, loans and lease liabilities.

##### (i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets and derecognised when the contractual rights to receive cash flows from the financial assets expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

##### (ii) Classification and measurement of financial assets

At initial recognition, the company measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial assets.

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are the three measurement categories for debt instruments under IFRS 9:

- Amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets using the effective interest rate method is included in other operating income together with foreign exchange gains and losses. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 2. Summary of significant accounting policies (cont'd)

#### i Financial instruments (cont'd)

##### (ii) Classification and measurement of financial assets (cont'd)

- Fair value through other comprehensive income (FVOCI) - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income and impairment expenses are presented as a separate line item in the statement of profit or loss.

##### *Equity instruments*

The company subsequently measures all equity investments at fair value. The company's management has elected to present fair value gains or losses on equity investments in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- Fair value through profit or loss (FVPL) - Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

##### (iii) Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In applying this forward-looking approach, a distinction is between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credited quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### **2. Summary of significant accounting policies (cont'd)**

#### **i Financial instruments (cont'd)**

##### (iii) Impairment (cont'd)

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For loan, trade and other receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### (iv) Financial liabilities

The company's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. At the date of the statement of financial position, the following items were classified as financial liabilities: trade payables, loans and lease liabilities.

#### **j Payables and accruals**

Payables and accruals are obligations to pay for goods or services that have acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **k Income taxes**

The Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

#### **l Borrowings**

Borrowings are recognised initially at fair value, being their issued proceeds net of transaction costs incurred, any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings. Interest expense is reported on the accruals basis and other borrowing costs, are expensed to profit or loss in the period which they are incurred and are reported in finance costs.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### **2. Summary of significant accounting policies (cont'd)**

#### **m Impairment**

The company's assets are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

#### **n Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are included in equity as a deduction from proceeds.

#### **o Critical accounting judgements and key sources of estimation uncertainty**

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Depreciation and amortisation of property, plant and equipment.

Depreciation and amortisation are provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as disclosed in Note 2(c).

Expected credit loss

The measurement of expected credit loss requires significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting. Details of these estimates are disclosed in Note (17(b)).

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 3. Property, plant and equipment

The carrying amounts for equipment for the years included in these financial statements as at June 30, 2020 are reconciled as follows:

	Right-of-use assets- Land and Buildings \$	Furniture and Fixtures \$	Medical Equipment \$	Computers \$	Computer Software \$	Solar System \$	Other Equipment \$	Leasehold Improvements \$	Total \$
<b>Gross carrying amount</b>									
Balance at July 1, 2019	-	26,077,957	545,843,970	9,930,683	8,601,003	9,683,461	29,941,060	122,106,004	752,184,138
Transition of IFRS 16	40,375,323	-	-	-	-	-	-	-	40,375,323
Additions	-	9,641,494	51,676,876	2,648,193	1,211,533	-	3,860,119	20,244,342	89,282,557
<b>Balance at June 30, 2020</b>	<b>40,375,323</b>	<b>35,719,451</b>	<b>597,520,846</b>	<b>12,578,876</b>	<b>9,812,536</b>	<b>9,683,461</b>	<b>33,801,179</b>	<b>142,350,346</b>	<b>881,842,018</b>
<b>Depreciation</b>									
Balance at July 1, 2019	-	(8,577,576)	(142,459,095)	(3,218,787)	(5,126,273)	(2,985,734)	(9,699,066)	(18,365,623)	(190,432,154)
Current charge	(13,473,434)	(3,693,442)	(53,304,154)	(3,048,415)	(1,395,512)	(726,261)	(2,209,267)	(10,328,077)	(88,178,562)
<b>Balance at June 30, 2020</b>	<b>(13,473,434)</b>	<b>(12,271,018)</b>	<b>(195,763,249)</b>	<b>(6,267,202)</b>	<b>(6,521,785)</b>	<b>(3,711,995)</b>	<b>(11,908,333)</b>	<b>(28,693,700)</b>	<b>(278,610,716)</b>
<b>Carrying amount at June 30, 2020</b>	<b>26,901,889</b>	<b>23,448,433</b>	<b>401,757,597</b>	<b>6,311,674</b>	<b>3,290,751</b>	<b>5,971,466</b>	<b>21,892,846</b>	<b>113,656,646</b>	<b>603,231,302</b>

Included in net carrying amount of the property, plant and equipment are right-of-use assets (land and buildings) amounting to \$26,901,889.

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 3. Property, plant and equipment (cont'd):

	Furniture and Fixtures \$	Medical Equipment \$	Computers \$	Computer Software \$	Solar System \$	Other Equipment \$	Leasehold Improvements \$	Total \$
<b>Gross carrying amount</b>								
Balance at July 1, 2018	17,479,914	477,377,633	5,709,771	6,381,962	9,683,461	17,373,534	55,145,999	589,152,274
Additions	8,598,043	68,466,337	4,220,912	2,219,041	-	12,567,526	66,960,005	163,031,864
<b>Balance at June 30, 2019</b>	<b>26,077,957</b>	<b>545,843,970</b>	<b>9,930,683</b>	<b>8,601,003</b>	<b>9,683,461</b>	<b>29,941,060</b>	<b>122,106,004</b>	<b>752,184,138</b>
<b>Depreciation</b>								
Balance at July 1, 2018	(6,668,364)	(99,193,236)	(1,362,378)	(4,349,114)	(2,017,388)	(7,685,756)	(13,310,385)	(134,606,621)
Current charge	(1,909,212)	(43,265,859)	(1,856,409)	(777,159)	(968,346)	(2,013,310)	(5,035,238)	(55,825,533)
<b>Balance at June 30, 2019</b>	<b>(8,577,576)</b>	<b>(142,459,095)</b>	<b>(3,218,787)</b>	<b>(5,126,273)</b>	<b>(2,985,734)</b>	<b>(9,699,066)</b>	<b>(18,365,623)</b>	<b>(190,432,154)</b>
<b>Carrying amount at June 30, 2019</b>	<b>17,500,381</b>	<b>403,384,875</b>	<b>6,711,896</b>	<b>3,474,730</b>	<b>6,697,727</b>	<b>20,241,994</b>	<b>103,740,381</b>	<b>561,751,984</b>

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 4. Receivables

	2020	2019
	\$	\$
Due from patients and insurance companies	40,715,922	23,061,602
Security deposits	-	1,340,059
Other receivables	1,203,355	1,067,501
	<b>41,919,277</b>	<b>25,469,162</b>
Less: expected credit loss	(407,159)	(230,616)
<b>Total</b>	<b>41,512,118</b>	<b>25,238,546</b>

The ageing of due from patients and insurance companies at the reporting date were:

	2020	2019
	\$	\$
0 – 30 days	36,548,673	16,674,882
31-60 days	2,701,547	3,295,390
Over 60 days	1,465,702	3,091,330
<b>Total</b>	<b>40,715,922</b>	<b>23,061,602</b>

Reconciliation of expected credit loss:

	2020	2019
	\$	\$
Balance at beginning of year	230,616	106,561
Additional provision during the year	176,543	124,055
<b>Balance at end of year</b>	<b>407,159</b>	<b>230,616</b>

### 5. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	37,370,646	75,554,669
Cash in hand	1,847,284	868,054
<b>Total</b>	<b>39,217,930</b>	<b>76,422,723</b>

### 6. Share capital

	2020	2019
Authorised ordinary stock units of no par value	<u>Unlimited</u>	<u>Unlimited</u>
Issued shares at no par value		
	2020	2019
	\$	\$
Share capital		
353,400,000 ordinary stock units	<b>348,898,459</b>	<b>348,898,459</b>



# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 7. Lease liabilities

Information about leases for which the company is a lessee is presented below:

#### (a) Lease liabilities

	Building \$	Total \$
Adoption of IFRS 16	40,375,323	40,375,323
Payments	(12,949,903)	(12,949,903)
<b>Balance at June 30, 2020</b>	<b>27,425,420</b>	<b>27,425,420</b>
<b>Current</b>	<b>13,492,080</b>	<b>13,492,080</b>
<b>Non-current</b>	<b>13,933,340</b>	<b>13,933,339</b>
	<b>27,425,420</b>	<b>27,425,420</b>

Future minimum lease payments are as follows:

	Within 1 year \$	1 to 2 Years \$	Total \$
Lease payments	(13,703,904)	(14,011,955)	(27,715,859)
Finance charges	211,824	78,615	290,439
<b>Net present values</b>	<b>(13,492,080)</b>	<b>(13,933,340)</b>	<b>(27,425,420)</b>

The company leases equipment and the remaining lease term is six (6) years. The company has elected not to recognise right-of-use assets and lease liabilities for leases that are short-term.

#### (b) Amounts recognised in the profit or loss

	\$
Depreciation charged on right-of-use assets	13,473,434
Interest expense on lease liabilities	344,897
	<b>13,818,331</b>

#### (c) Amounts recognised in the statement of cash flow

	\$
Principal payments	12,949,903
Interest payments	344,897
<b>Total</b>	<b>13,294,800</b>

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 8. Long-term loans

	2020 \$	2019 \$
(i) MF & G Management Limited	195,000,000	195,000,000
(ii) Sagicor Bank loan	533,266	2,266,638
	<b>195,533,266</b>	<b>197,266,638</b>
Less: Current portion of long term loans	(1,600,000)	(1,600,000)
<b>Total</b>	<b>193,933,266</b>	<b>195,666,638</b>

- i The term of the loan is 7 years with a moratorium of principal payments of 24 months. Thereafter the loan is repayable over 20 quarterly instalments of \$9,750,000. Interest on the loan is 7.25% per annum. The loan is secured by Bill of Sale over equipment valued at \$424,918,000.
- ii The Sagicor loan bears interest of 9.50% per annum and is to be repaid by October 31, 2020. The loan is repayable in monthly instalments of \$133,333.

The credit facility is secured by a promissory note executed by the borrower along with borrowing resolution supported by:

- Guarantee from Development Bank of Jamaica credit enhancement fund for \$6,400,000.
- Corporate bill of sale over 42kw Solar Grid.
- Subordination of all Directors loans.

### 9. Payables and accruals

	2020 \$	2019 \$
Trade payables	361,691	4,705,063
Due to equipment suppliers and other	5,481,293	8,490,926
Accruals	1,999,296	2,395,578
<b>Total</b>	<b>7,842,280</b>	<b>15,591,567</b>

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 10. Expenses by nature

Total administrative and other operating expenses:

	2020	2019
	\$	\$
Rent (see note below)	5,428,355	18,731,596
Audit fees	2,098,428	1,050,000
Legal, professional and other fees	2,667,710	3,368,548
Staff costs (Note 15)	67,063,743	53,406,115
Advertising and promotion	2,264,267	5,227,301
Repairs and maintenance	16,031,890	15,352,125
Utilities	37,553,816	28,614,974
Insurance	4,402,197	7,112,847
Software licenses	7,678,140	2,459,778
Office expenses	7,497,634	3,736,757
AGM expenses	3,657,384	912,118
Directors fees	1,258,750	1,307,500
Loan processing fees	-	1,695,358
Expected credit loss	407,159	124,055
Other expenses	2,360,204	4,883,889
<b>Total</b>	<b>160,369,677</b>	<b>147,982,961</b>

As disclosed in Note 2(a) as a result of the adoption of IFRS 16 Leases, the nature of expenses related to leased property previously treated as rent have changed. IFRS 16 replaces the straight-line operating lease (rent) with a depreciation charge for the right-of-use assets and interest expense on related lease liabilities.

### 11. Finance income and finance costs

Finance income for the year comprise:

	2020	2019
	\$	\$
Interest income from cash and cash equivalents	43,929	222,401

Finance costs

	2020	2019
	\$	\$
Interest expense for borrowings at amortised cost:		
Interest on long-term loans	20,429,503	20,077,997
Interest expense on lease liabilities	344,897	-
<b>Total finance costs</b>	<b>20,774,400</b>	<b>20,077,997</b>

### 12. Earnings per shares

Earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue for the year.

	2020	2019
	\$	\$
Profit attributable to shareholders	8,552,867	51,822,601
Weighted average number of shares	353,400,000	353,400,000
Basic and diluted earnings per share	0.02	0.15

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 13. Income tax

The Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

Reconciliation of theoretical tax charge to effective tax charge:

	2020 J\$	2019 J\$
<b>Profit for the year</b>	<b>8,552,876</b>	<b>51,822,601</b>
Tax at applicable tax rate of 25%	2,138,219	12,955,650
Adjustment for non-deductible expenses	18,757,281	13,956,382
Tax effect of allowances	(20,895,500)	(19,411,465)
Remission of tax	-	(7,500,567)
<b>Income tax charge for the year</b>	<b>-</b>	<b>-</b>

### 14. Segment information

The company's revenue is derived mainly from diagnostic imaging services, as a result there is no relevant segment information.

### 15. Staff costs

	2020 \$	2019 \$
Salaries and wages	48,142,540	39,409,036
Statutory contributions	11,648,261	8,157,339
Pension costs	275,411	275,411
Staff welfare and training	6,997,531	5,564,329
<b>Total</b>	<b>67,063,743</b>	<b>53,406,115</b>

Salaries and wages included amounts paid to key management which is disclosed at Note 16.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 16. Balances and transaction with related parties

(i) At the reporting date there were no balances due to or from related parties.

(ii) Transactions with key management.

The compensation of key management for services is shown below:

	2020	2019
	\$	\$
Fees paid to directors	1,258,750	1,307,500
Salaries and other short-term employee benefits	9,956,353	7,521,785
<b>Total</b>	<b>11,215,703</b>	<b>8,829,375</b>

Compensation paid to directors

	2020	2019
	\$	\$
Fees paid to directors	1,258,750	1,307,500
Salaries	5,928,560	3,942,713
<b>Total</b>	<b>7,187,310</b>	<b>5,250,213</b>

### 17. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

#### a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

##### i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US\$) the company however, maintains US\$ bank accounts in an attempt to manage this risk.

At the end of the reporting period there were net (liabilities)/assets of approximately US\$217,494 (2019 - \$343,750) which were subject to foreign exchange rate changes as follows:

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 17. Risk management policies (cont'd)

#### a Market risk (cont'd)

##### i Currency risk (cont'd)

#### Concentrations of currency risk

	2020 US\$	2019 US\$
Financial assets		
- Cash and cash equivalents	12,053	333,538
- Receivables	50,346	10,479
Financial liabilities		
- Trade payables	(85,401)	(267)
- Lease liabilities	(194,493)	-
<b>Total</b>	<b>(217,494)</b>	<b>343,750</b>

The above assets/(liabilities) are receivable/(payable) in United States Dollars (US\$). The exchange rate applicable at the end of the reporting period is J\$141.01 to US\$1 (2019 - J\$131.52 to US\$1).

#### Foreign currency sensitivity

The following table illustrates the sensitivity and the impact on profit for the year of company's financial assets and financial liabilities to foreign exchange rates, all other things being equal. The sensitivity analysis is based on the company's foreign currency financial instruments held at each reporting date. Only movements between the Jamaican dollar and the United States dollars are considered, as these are the two major currencies of the company.

Effect on profit before tax:

If the Jamaican dollar weakens by 6% (2019 - 6%) against the United States dollar then this would have the effect shown below on the basis that all other variables remain constant.

	Percentage change %	Effect on earnings \$
2020	6	(1,226,758)
2019	6	(1,766,014)

If the Jamaican dollar strengthens against the United States dollar by 2% (2019 - 4%) this would have the following effect:

	Percentage change %	Effect on earnings \$
2020	2	(241,819)
2019	4	441,504

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 17. Risk management policies (cont'd)

#### a Market risk (cont'd)

##### ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The company holds cash in interest-earning bank accounts with licensed financial institutions. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.

##### iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

#### b Credit risk

The company faces credit risk in respect of its receivables and bank balances. There is significant concentration of credit risk in receivables. However, this risk is controlled by close monitoring of these assets by the company. In addition, bank balances are maintained with licensed financial institutions considered to be stable.

#### Cash and cash equivalents

Credit risk for cash and cash equivalents is managed by maintaining these balances with licensed financial institutions considered to be stable and creditworthy. Savings and current accounts held with commercial banks are insured under the Jamaica Deposit Insurance Scheme (JDIS) up to a maximum of \$600,000. This was increased to \$1,200,000 effective August 31, 2020.

#### Receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for receivables. To measure expected credit losses on a collective basis, receivables are grouped based on similar credit risk and aging.

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

### 17. Risk management policies (cont'd)

#### b Credit risk

The expected loss rates are based on the company's historical credit losses experienced over the two year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The calculated expected credit losses are detailed below:

June 30, 2020

	Trade receivables days past due			
	Current	More than 30 days	More than 60 days	Total
	\$	\$	\$	\$
Expected credit loss rate	1%	1%	1%	
Gross carrying amount	36,548,673	2,701,547	1,465,702	40,715,922
Lifetime expected credit loss	<b>365,487</b>	<b>27,015</b>	<b>14,657</b>	<b>407,159</b>

June 30, 2019

	Trade receivables days past due			
	Current	More than 30 days	More than 60 days	Total
	\$	\$	\$	\$
Expected credit loss rate	1%	1%	1%	
Gross carrying amount	16,674,882	3,295,390	3,091,330	23,061,602
Lifetime expected credit loss	<b>166,749</b>	<b>32,954</b>	<b>30,913</b>	<b>230,616</b>

#### c Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash and demand deposits to meet its liquidity requirements.



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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 17. Risk management policies (cont'd)

#### c Liquidity risk (cont'd)

The table below presents the undiscounted cash flows payable (both interest and principal) of the company's financial liabilities based on contractual repayment over the next 12 months.

	1 - 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$
Loans	3,972,982	11,061,099	212,963,167	30,228,005
Payables and accruals	7,842,280	-	-	7,842,280
<b>Total</b>	<b>11,815,262</b>	<b>11,061,099</b>	<b>212,963,167</b>	<b>38,070,285</b>

### 18. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities. (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices). (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). (Level 3).

The company's financial assets and liabilities are measured at amortised costs and the fair values for these are disclosed at Note 18.

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# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2020

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### 19. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at the end of the reporting periods under review may also be categorised as follows:

	2020 \$	2019 \$
	Amortised costs	Amortised costs
<b>Financial assets</b>		
Receivables	41,512,118	25,238,546
Cash and cash equivalents	39,217,930	76,422,724
<b>Total</b>	<b>80,730,048</b>	<b>101,661,270</b>
<b>Financial liabilities</b>		
Trade and other payables	7,842,280	15,591,567
Loans	195,533,266	197,266,638
<b>Total</b>	<b>203,375,546</b>	<b>212,858,205</b>

### 20. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to sustain future development of the business. The company's Board of Directors review the financial position of the company at regular meetings.

The company is not subject to any externally imposed capital requirements.

### 21. COVID 19 effect

The spread of the Coronavirus disease (COVID-19) which was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, has negatively impacted the operations of the company. Revenues in the 4<sup>th</sup> Quarter were impacted as the company experienced a decrease in demand for imaging services and also had to reduce its operating hours. However, the latter part of the Quarter saw business returning to near normal activity at the two Kingston locations.



**Directors and Connected Parties Shareholdings  
As at June 30, 2020**

**Directors**

<b>Names</b>	<b>Position</b>	<b>Shares Held</b>	<b>Percentages %</b>
Steven Gooden	Chairman	242,230	0.0685
Warren Chung	Executive Director	778,355	0.2203
Neil Fong	Executive Director	140,000	0.0396
Andre Ho Lung	Non-Executive Director	161,494	0.0457
Kevin Donaldson	Non-Executive Director	140,000	0.0396
Paula Wegman	Non-Executive Director	NIL	NIL
Quentin Hugh Sam	Non-Executive Director	824,573	0.2333
Peter D. Chin	Non-Executive Director	140,000	0.0396
William Mahfood	Non-Executive Director	172,025	0.0487
		<b>2,598,677</b>	<b>0.7333</b>

**Connected parties**

**Connected to**

Excel Investments	Warren Chung and Neil Fong	130,726,675	36.9911
Barnett Limited	Paula Wegman	15,515,994	4.3905
<b>Combined Key Member Shareholdings</b>		<b>148,841,346</b>	<b>42.1169</b>

**Senior Managers shareholdings**

<b>Names</b>	<b>Position</b>	<b>Shares Held</b>	<b>Percentages %</b>
Warren Chung	Chief Executive Officer	778,355	0.2174
Neil Fong	Manager	140,000	0.0396
Marjorie Miller	Manager	-	-
		<b>918,355</b>	<b>0.2570</b>

**Top 10 Shareholdings**

<b>Names</b>	<b>Share Held</b>	<b>Percentages %</b>
1. Excel Investments (See connected party note above)	130,726,675	36.9911
2. NCB Capital Markets Limited	66,028,392	18.6838
3. JCSD Trustee Services Limited - Sigma Optima	31,438,024	8.8959
4. West Indies Radiology Outsourcing Ltd.	17,670,000	5.0000
5. Barnett Limited (See connected party note above)	15,515,994	4.3905
6. Damian Chin-You	14,413,589	4.0785
7. Lizette Mowatt	3,703,632	1.0480
8. Kevin Keaton Palmer	3,534,000	1.0000
9. SJIML A/C 3119	3,188,169	0.9021
10. VM Wealth Equity Fund	3,061,708	0.8664
<b>Total units owned by top 10 Shareholders</b>	<b>289,280,183</b>	<b>81.8563</b>
<b>Total Issued Capital</b>	<b>353,400,000</b>	